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**FISCAL IMPACT STATEMENT**

**LS 7193**

**BILL NUMBER:** HB 1496

**NOTE PREPARED:** Jan 20, 2015

**BILL AMENDED:**

**SUBJECT:** Sewer Connection Matters.

**FIRST AUTHOR:** Rep. Beumer

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Connecting to Sewer Systems:* This bill provides that a not-for-profit public sewer utility or a regional sewage district may not require a property owner to connect to the utility's or district's sewer system if certain conditions are met. It requires a not-for-profit public sewer utility or regional sewage district to: (1) provide property owners with a form for use in applying for an exemption under those certain conditions; (2) respond in writing to each exemption application; (3) if denying an application, explain to the applicant why the application is denied and what steps the applicant must take to qualify for the exemption; and (4) allow an applicant 270 days after receiving a response within which to qualify for the exemption by taking those steps.

*Installation of Residential Onsite Sewage Systems:* The bill prohibits a local health department from denying a property owner's application for the installation of a residential onsite sewage system if the property owner demonstrates to the local health department that the property, with the installation of the proposed residential onsite sewage system, will meet the conditions for an exemption from the requirement to connect to the sewer system of a not-for-profit public sewer utility or a regional sewage district.

*Elected Trustees:* The bill provides for the members of the board of trustees of a regional water, sewage, or solid waste district to be elected at an annual meeting of the owners of property located in the district. It eliminates provisions concerning the appointment of board members. It provides for the filling of a vacancy on a board. The bill also requires that the terms of the members of a board be staggered so that no more than 1/3 of the members are elected in any year.

*Rates and Charges:* The bill provides that, for purposes of rates and charges for the sewage works of a regional district, the sewage works are to be considered as benefitting only properties connected to the sewer

system, not properties that are not yet connected.

*Liens:* The bill provides that if a lien for rates or charges assessed by a regional sewage district is the only lien being collected on a property, the lien may not be foreclosed at a tax sale or otherwise.

**Effective Date:** July 1, 2005 (retroactive); July 1, 2012 (retroactive); July 1, 2015.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Connecting to Sewer Systems:* This bill requires a regional sewage district to perform certain duties relating to exempting property owners from connecting to sewer systems, which would increase their administrative costs. The duties include providing a form for property owners to apply for an exemption, responding to each exemption application, and explaining why an application is denied.

*Elected Trustees:* The bill requires the boards of trustees of regional water, sewage, or solid waste districts to be elected at annual meetings of the owners of property located in the district. Notice would have to be provided to all property owners in the district by first class U.S. mail or by electronic mail.

**Explanation of Local Revenues:** *Connecting to Sewer Systems:* This bill provides that a regional sewage district may not require property owners to connect to a sewer system under certain conditions. This provision could decrease the number of property owners who connect to a sewer system, which would reduce the amount of revenue generated for the sewer district. The impact will depend upon the number of property owners who would qualify.

*Rates and Charges:* Regional district sewage works would only be able to collect rates and charges for those connected to the system. The impact would depend upon the extent that districts are currently assessing fees from those who have not yet connected to the system.

*Liens:* This bill could result in reduced collection of delinquent rates or charges by the regional sewer districts. The bill provides that regional sewage districts may not foreclose on a property if a lien for rates, fees, or charges assessed by a regional sewage district is the only lien being collected on a property. This provision in the bill is retroactive to July 1, 2005.

**State Agencies Affected:**

**Local Agencies Affected:** Regional water, sewage, or solid waste districts.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.